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Chairman: Mr. Effah-Apenteng (Ghana)
later: Mr. Orr (Vice-Chairman) (Canada)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 123: Proposed programme budget for the biennium 2002-2003 (continued)

Reformulated narrative of section 8 (Legal affairs) (A/C.5/56/11)

Reformulated narrative of section 27C (Office of Human Resources Management) (A/C.5/56/10)

1. **Mr. Sach** (Director of the Programme Planning and Budget Division) introduced the reformulated narrative of section 8 (Legal affairs) of the proposed programme budget for the biennium 2002-2003 (A/C.5/56/11), which was aimed at bringing the latter into conformity with the medium-term plan (A/55/6/Rev.1), in accordance with the recommendations made by the Committee for Programme and Coordination (CPC) in its report (A/56/16). Paragraphs 2 (a) and 2 (b), relating to subprogramme 1 (Overall direction, management and coordination of legal advice and services provided to the United Nations as a whole), were aimed at bringing the narrative into line with paragraphs 5.11 and 5.12 of the medium-term plan; paragraphs 2 (c) and 2 (d), which related to subprogramme 2 (General legal services provided to United Nations organs and programmes), at bringing it into line with paragraphs 5.17 and 5.18 of the medium-term plan; and paragraph 2 (e), concerning subprogramme 3 (Progressive development and codification of international law), at bringing it into line with paragraph 5.24 of the medium-term plan.

2. Introducing the changes that had been proposed to the narrative of section 27C (Office of Human Resources Management) of the proposed programme budget for the biennium 2002-2003 (A/C.5/56/10), in accordance with the recommendations of CPC, in order to bring it into line with resolution 55/258, which had been adopted after the preparation of the proposed programme budget, he indicated that paragraphs 2 (a) to 2 (d) concerned the part of section 27C entitled "Overview"; paragraphs 2 (e) and 2 (f), subprogramme 1; paragraphs 2 (g) and 2 (h), subprogramme 2; and paragraph 2 (i), subprogramme 3.

3. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that he would have wished the Assistant Secretary-

General for Human Resources Management to introduce document A/C.5/56/10 herself and hear Member States' comments thereon. He considered that the changes proposed in that document did not adequately reflect General Assembly resolution 55/258 and that the only substantive change proposed was that in paragraph 2 (b). However, the General Assembly had considered the issue of human resources management during the main part of its fifty-fifth session and at both parts of its resumed session, which demonstrated the importance that the Assembly attached to the issue. The General Assembly had not confined itself in the resolution to approving the proposals submitted by the Secretary-General in his report on human resources management reform (A/55/253). Nor did the resolution refer solely to recruitment, mobility and promotions. It also dealt with other important areas, such as the administration of justice and the role of the Office of Human Resources Management in both the application of the principle of equitable geographical distribution and the establishment of a robust mechanism to monitor delegation of authority and the discharge by programme managers and human resources management officers of their obligations. Given that the proposed revisions did not take sufficient account of the CPC recommendation, his delegation would propose some improvements.

Mr. Orr (Canada), Vice-Chairman, took the Chair.

4. **Mr. Tilemans** (Belgium), speaking on behalf of the European Union, the associated countries and Norway, said that his delegation was willing to hear the speakers requested by other delegations and proposed that the two documents should be considered in informal consultations so as to allow for in-depth reflection and constructive debate before decisions were taken in a formal meeting.

5. **Mr. Elgammal** (Egypt) endorsed the statement made by the representative of the Islamic Republic of Iran. He pointed out that the last sentence of the first paragraph of document A/C.5/56/11 mentioned paragraph 114 of the report of CPC (A/56/16), which stated that reference had been made to subprogrammes 1 and 2. In fact, the paragraph in question summarized the debate that had taken place in the Committee during the consideration of section 8 of the proposed programme budget, for the information of Member States rather than for the use of the Secretariat, which

must confine itself to the Committee's recommendations. His delegation would agree to the informal consultations proposed by the European Union on documents A/C.5/56/10 and A/C.5/56/11, but it wanted those documents to be reissued without the reference to paragraph 114 of the CPC report.

6. **Mr. Sach** (Director of the Programme Planning and Budget Division), referring to document A/C.5/56/10, said that, given the length of resolution 55/258 and the difficulty of summarizing it, it had been decided to make the proposed changes general in scope by introducing them into the part entitled "Overview". The provisions of resolution 55/258, which replaced those of resolution 53/221, therefore provided a good framework for the activities of the Office of Human Resources Management. The specific amendments relating to each of the three subprogrammes were also designed to bring them into line with resolution 55/258. The need to put in place a robust monitoring mechanism had been covered in subparagraphs 2 (c) (ii) and 2 (d). He would transmit the content of the Fifth Committee's discussions on the document to the Office of Human Resources Management.

7. With regard to document A/C.5/56/11, in particular the last sentence of the first paragraph, although paragraph 114 of the report of CPC was not binding on the Secretariat since it was a record and not a set of recommendations, it had been mentioned because the discussions which had taken place in CPC had influenced the Secretariat's approach to the changes to be made to the programme narrative, which consisted in placing the emphasis on subprogrammes 1 and 2. However, the Secretariat had not considered itself bound by paragraph 114 because it was also proposing changes to subprogramme 3. Deletion of the last sentence of the first paragraph would not pose any problem.

8. **Mr. Nakkari** (Syrian Arab Republic) was surprised that documents A/C.5/56/10 and A/C.5/56/11 had not been presented by the offices concerned. He also wondered what had become of the question of the ombudsman, which had been addressed by CPC during the consideration of section 27 and which that Committee had asked the Office of Human Resources Management to look into. Document A/C.5/56/10 made no mention of it. He observed that document A/C.5/56/11 referred to the actual recommendation of CPC, which was contained in paragraph 120 of its report, but also to paragraph 114, which perhaps

reflected the view of a single delegation, or even of an observer, and noted that that paragraph was also treated as a recommendation. The confusion was surprising, to say the least, especially coming from the Office of Legal Affairs. For that reason, the Syrian delegation was requesting that the two documents should be considered at a formal meeting, to be attended by representatives of the Office of Legal Affairs and the Office of Human Resources Management, which were responsible for the programmes in question. The proposed revisions were highly inadequate as a response to the recommendations of CPC.

9. **Mr. Elgammal** (Egypt) said that his delegation found the statement by the Director of the Programme Planning and Budget Division about the debate of the Committee for Programme and Coordination to be unsatisfactory. Like the Syrian delegation, it considered that paragraph 114 did not reflect the unanimous view of the members of that Committee. There was even a risk of contradiction. The Egyptian delegation therefore requested that the Fifth Committee should not reconsider document A/C.5/56/11, in either a formal or an informal meeting, until a revised version had been published in which the reference to paragraph 114 had been deleted.

10. **Mr. Belov** (Programme Planning and Budget Division) said that the Office of Legal Affairs and the Office of Human Resources Management would be contacted to discuss possible options regarding documents A/C.5/56/10 and A/C.5/56/11 and that the Secretariat was at the Fifth Committee's disposal for a future meeting, whether formal or informal, to consider the documents.

11. **The Chairman** said that, if he heard no objection, he took it that the Committee wished to resume its consideration of the item at a future meeting.

12. *It was so decided.*

Agenda item 130: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/56/83, A/56/128 and A/56/381)

13. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the annual report of the Office of Internal Oversight Services (OIOS) (A/56/381), said that the format had been modified to allow delegations to get a better idea of the impact of the Office's activities, including for the first time an

overall assessment of each client department and office, and to highlight the critical recommendations. The Office had also included in the report charts and figures showing the amount of recommended and actual savings and recoveries for the reporting period. The audits, inspections and investigations which the Office had carried out in partnership with Member States and managers at all levels had addressed areas such as management inefficiency, poor deployment of staff, administrative bottlenecks and the improper use of resources in various functional areas, in particular programme management and administration, finance, payroll, personnel and procurement. In addition, the Office had evaluated the population and sustainable development programmes, as mandated by the Committee for Programme and Coordination.

14. Highlights of the Office's achievements during the reporting period included: the work of the special multinational task force, whose investigation into allegations of corruption at the Nairobi Branch Office of the Office of the United Nations High Commissioner for Refugees (UNHCR) had resulted in the arrest of nine individuals; the recommendation of OIOS to reduce the rate of subsistence allowance for a number of peacekeeping missions, which could result in savings of \$45 million each year; the inspection of the United Nations Office for Drug Control and Crime Prevention (ODCCP), which had identified the need for managerial improvement and for follow-up to the in-depth evaluation of the United Nations International Drug Control Programme, which had shown that the problems identified in the evaluation had not been fully addressed; the recommendations for savings of \$1.7 million at the UNHCR emergency operation in Kosovo; and the recommended improvements designed to enhance transparency in recruitment practices for peacekeeping missions. During the reporting period, the Office had issued 2,105 recommendations — significantly more than in previous years — including some which related to field operations. That reflected the expansion of its global activities. As of August 2001, over 50 per cent of those recommendations had already been implemented. The Office considered 27 per cent of the recommendations to be critical, with far-reaching implications for the Organization, in that they called for, among other things, improvements in productivity, savings and recoveries, and accountability for fraud, waste and abuse. The recommended savings and recoveries suggested that improved management and controls offered significant potential for the

Organization to reduce its expenditure and recover funds. However, that would depend on the sustained efforts of programme managers, often extending over several years. The charts in the report showed clearly the diversity and breadth of the Office's activities. With a view to integrating those activities, he had proposed a new organizational structure for the Office, in which the monitoring, inspection, evaluation and management consulting components would be merged. He had also proposed that the investigations subprogramme should be strengthened to cope with the increasing number of cases received, and that an office should be established at Geneva to deliver more responsive and coordinated oversight services.

15. Turning to the report on the inspection of programme management and administrative practices in ODCCP (A/56/83), he said that the report complemented the OIOS reports on the triennial review of the implementation of the recommendations made by the Committee for Programme and Coordination concerning the United Nations International Drug Control Programme (E/AC.51/2001/4) and the United Nations crime prevention and criminal justice programme (E/AC.51/2001/5). OIOS had endeavoured to obtain information from the largest possible number of ODCCP staff, both in Vienna and in the field, and from stakeholders, by sending them detailed questionnaires and conducting structured interviews. It was grateful to all those who had communicated to it, with complete frankness, their illuminating and sometimes strong views. The inspection had shown that the major strengths of ODCCP were its clearly defined mandates, the high priority of its activities at the intergovernmental level and the broad range of expertise at its disposal in the areas entrusted to it. Its main assets were committed, resourceful and talented staff, a strong field presence and the ability to work multilaterally in very sensitive fields. On the other hand, decision-making was overcentralized and highly personalized, and ODCCP lacked the institutional mechanisms to ensure that its activities were properly conceived, executed and evaluated. In the absence of consultation and evaluation procedures, resources were being wasted and the efficiency of programmed activities hampered. Furthermore, the staff considered that decisions, especially those concerning personnel management, lacked transparency, so that morale was low. That was one of the major concerns highlighted in the report. The report contained 14 recommendations on measures to be taken to correct the situation. The

main thrust of the findings and recommendations had been presented to the Executive Director, and it had been made clear to him that the management situation at ODCCP could not continue. The Executive Director had assured OIOS that he would take the necessary measures without delay. The ODCCP management had recently informed OIOS that a number of those measures had been implemented or were in the process of being implemented, but OIOS had noted that the Staff Council had reservations regarding the content of that communication and it was currently examining some of the measures reported by management as having been completed. It would not be able to judge the progress made until the completion of an on-site review, which was scheduled for spring 2002.

16. Lastly, introducing the report of OIOS on the audit of the United Nations High Commissioner for Refugees Operations in Albania (A/56/128), he recalled that, in March 1999, some 450,000 Kosovars had fled to Albania. The overwhelming majority had repatriated spontaneously to Kosovo, in June 1999, after the cessation of hostilities. During the emergency period and thereafter, UNHCR had spent approximately \$56 million in providing assistance to Kosovo refugees in Albania. The initial audit, conducted in November 1999, had disclosed serious shortcomings in the management of the emergency operations by UNHCR and its implementing partners. However, the follow-up review in November 2000 had shown that UNHCR had made significant progress in addressing the problems resulting from the initial shortcomings. Procurement procedures had been strengthened, a requirement had been introduced for pre-qualification of implementing partners prior to delegating major procurement to them, programme assets valued at an estimated \$8.7 million, not previously accounted for, had been recorded and retrieved, controls had been improved, and a refund of taxes levied on purchases made directly by UNHCR had been obtained. OIOS believed, however, that further improvements were needed, above all, to reduce the risk of similar problems occurring in future emergency operations. It noted with satisfaction that UNHCR was working to that end and intended to assist it in those efforts.

17. **Mr. Lemaire** (Belgium), speaking on behalf of the European Union, said that the Central and Eastern European countries associated with the European Union (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia

and Slovenia), the associated countries Cyprus, Malta and Turkey and the European Free Trade Association country member of the European Economic Area, Norway, aligned themselves with his statement. The European Union endorsed the annual report of OIOS (A/56/381), whose role had been further enhanced since the approval by the General Assembly of greater accountability for programme managers. It welcomed the new presentation of the recommendations regarded as critical and the fact that 53 per cent of OIOS recommendations had been implemented. It would like the annual reports of OIOS, from now on, to contain information on the percentage of implementation of the recommendations presented in the previous three reports. It also wanted the recommendations that had been implemented to be presented separately from those that were in the process of being implemented or for which no process was under way. In addition, the impact of the reorganization of OIOS should be evaluated in its next annual report. The European Union noted with interest that the Office had identified some \$58 million in savings and recoveries during the year reviewed in document A/56/381 and with concern the cases of corruption uncovered at the Nairobi Branch Office of UNHCR. It considered that the illicit activities identified in peacekeeping operations demonstrated the need to strengthen the role of monitoring bodies by ensuring an increased presence of resident auditors.

18. Regarding the report of OIOS on the inspection of programme management and administrative practices in the Office for Drug Control and Crime Prevention (A/56/83), the European Union supported the recommendations of OIOS, noted that the Office had taken measures to address the problems and invited OIOS to submit a report on the implementation of its recommendations and the impact of the measures taken. As to the report on the audit of UNHCR Operations in Albania (A/56/128), the European Union noted with satisfaction the efforts made by UNHCR to implement the recommendations of OIOS and invited it to work towards their full implementation.

19. **Ms. Wynes** (United States of America) said that the annual report of OIOS was an important status report on the management and administrative health of the Organization. Since its establishment seven years earlier, the Office had been an effective part of the process of revitalizing, modernizing and streamlining the United Nations. Independence was the cornerstone

of any oversight body because auditors, investigators and inspectors had to be able to operate free of influence from those who were the subject of their activities. The credibility acquired by OIOS since 1994 was due in large part to its operational independence. Her delegation welcomed the fact that the Office had established collaborative relationships with other oversight bodies. It also supported the capacity-building efforts of OIOS, since the effectiveness of oversight activities was dependent on the quality of the staff and the technologies they employed. For that reason, the United States had recently contributed \$100,000 to the voluntary trust fund for OIOS. It called on all those who had not yet done so to make contributions to the fund and looked forward with interest to future reports on the use of those resources.

20. During the year under review, the Office had issued 2,105 recommendations, of which 577 (27 per cent) had been deemed critical: her delegation found the new classification system very useful, and wished to suggest that the other oversight bodies should also adopt it. The emphasis should be on the implementation of critical recommendations likely to result in the greatest savings and benefits. Her delegation wished to single out, in particular, the excellent work done at the Nairobi Branch Office of UNHCR, where a multinational task force — to which the United States had contributed investigators, as had other countries — had uncovered evidence of criminal activities, as a result of which nine individuals had been arrested and brought to justice. Her delegation also welcomed, in particular, the review of mission subsistence allowances in several peacekeeping missions; OIOS had recommended the reduction of those allowances, which was expected to result in savings of \$45 million. Those potential savings must now be realized when the Organization prepared future mission budgets. The onus was also on programme managers and all those concerned to ensure that the recommendations of OIOS were implemented without delay and that the savings and benefits identified were realized. Her delegation looked forward to receiving updates in the year ahead on the status of implementation of the recommendations of OIOS.

21. Mr. Farid (Saudi Arabia) expressed support for the activities of OIOS, which had resulted in savings of approximately \$8 million and recoveries of \$2.5 million between 1 July 2000 and 30 June 2001. His delegation was concerned about the findings regarding

the recruitment procedures for peacekeeping operations, particularly about the absence of standard job descriptions for missions and the lack of transparency in the selection process; those were shortcomings that must be remedied. He was also concerned that almost half of mission personnel were untrained in the use of critical field information technology systems. It was vital to ensure that those staff received the necessary training because their performance would improve and the application of missions' internal oversight systems would be facilitated as a result.

22. Mr. Iossifov (Russian Federation), recalling that his delegation fully supported the strengthening of the Organization's oversight mechanisms, expressed satisfaction with the activities of OIOS since its establishment: the benefits of those activities continued to increase with every year, as demonstrated, in particular, by the amount of savings they produced for the Organization. His delegation endorsed the priority areas of activity listed by the Office in paragraph 17 of its annual report (A/56/381), particularly peacekeeping, human resources management and procurement. Given the scale of the financial operations to which the latter area gave rise, it offered a host of opportunities for misappropriation and abuse. His delegation still believed, however, that it would not be enough for the Office to expand the areas subject to oversight, since truly significant results would be achieved only if its recommendations were scrupulously implemented and its observations taken into account. He therefore welcomed the establishment of the client profile database, which would enable OIOS client departments to keep up to date the information on the implementation of the Office's recommendations.

23. Regarding the specific activities of the Office, his delegation appreciated the oversight activities conducted in missions and peacekeeping operations, but was concerned about the numerous shortcomings observed by the Office and the cases of misappropriation of funds, which cost the Organization hundreds of thousands of dollars. It hoped that the necessary conclusions would be drawn and those responsible punished. It welcomed the cooperation and coordination that had developed between the Office and the other United Nations oversight bodies, namely, the Board of Auditors and the Joint Inspection Unit. Their activities could thus complement each other, thereby avoiding redundancy. His delegation had

carefully studied the annual report of OIOS, but it also followed closely the reports the Office devoted to specific issues. It believed that it would also be useful for the Office to inform delegations periodically of its investigation activities.

The meeting rose at 11.20 a.m.